The Siam Cement Pcl (SCC TB) - SELL, Price Bt259, TP Bt192

Results Comment

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2Q26 – beat from chemical margin

- 2Q26 profit surged 85% q-q to Bt11.5bn (-33% y-y)—a massive 44% beat against consensus that already accounts 100% of our FY26 core profit forecast, driven by wartime chemical price premiums and strong packaging outperformance.
- Q-q earnings surged on chemical and packaging strength alongside seasonal dividend income, while y-y net profit declined due to the absence of a CAP value adjustment—though core profit grew both q-q and y-y..
- Chemicals profit surged q-q to Bt4.8bn (from Bt1.0bn in 1Q26) on stronger spreads and a Bt1.0bn inventory gain, alongside narrowed LSP losses (Bt631m), despite sales volume falling 28% q-q to 489kta due to ROC and LSP shutdowns.
- Net CBM profit jumped 205% y-y on the absence of retail restructuring expenses and held flat q-q as seasonal cement demand weakness was offset by a slight Bt50/t price hike (to Bt2,150–2,200/t), while stable y-y domestic grey cement demand was anchored by infrastructure spending.
- The company continues operating MOC, with ROC scheduled to restart mid-August 2026, while LSP currently lacks a restart plan.
- The Board approved a 1H26 interim dividend of Bt3.50/share (Bt4.2bn, 24% payout ratio), payable on 21 August 2026. This implies interim dividend yield of 1.4%.
- 2Q26 likely marks the earnings peak as chemical spreads have already narrowed and wartime price premiums fade. Maintain SELL.

Income Statement					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Revenue	124,685	121,793	126,055	123,327	136,243
Gross profit	**20,130**	**16,637**	**13,565**	**17,194**	**27,343**
SG&A	20,046	16,421	19,323	15,088	17,543
Operating profit	84	216	(5,758)	2,106	9,800
EBITDA	**8,362**	**8,542**	**2,517**	**10,255**	**18,052**
Other income	(4,716)	2,646	7,196	2,432	4,183
Other expense	0	0	0	0	0
Interest expense	2,676	2,619	2,614	2,506	2,546
Profit before tax	**(7,308)**	**243**	**(1,176)**	**2,032**	**11,437**
Income tax	5,516	1,162	1,025	1,673	2,184
Equity & invest. income	15,032	659	748	1,405	2,191
Minority interests	872	1,034	1,374	52	(408)
Extraordinary items	14,257	(1,443)	(3,613)	4,407	499
Net profit	**17,337**	**(669)**	**(3,692)**	**6,223**	**11,535**
Normalized profit	**3,080**	**774**	**(79)**	**1,816**	**11,036**
EPS (Bt)	14.45	(0.56)	(3.08)	5.19	9.61
Normalized EPS (Bt)	2.57	0.65	(0.07)	1.51	9.20

Income Statement			6M as		
(Bt m)	**q-q%**	**y-y%**	**% 2026F**	**2026F**	**2027F**
Revenue	10	9	46	562,543	562,957
Gross profit	**59**	**36**	**56**	**79,628**	**94,862**
SG&A	16	(12)	45	73,011	72,257
Operating profit	365	11,566	180	6,617	22,605
EBITDA	**76**	**116**	**74**	**38,000**	**55,039**
Other income	72	na	61	10,877	9,900
Other expense			na		
Interest expense	2	(5)	49	10,304	10,100
Profit before tax	**463**	**na**	**187**	**7,190**	**22,405**
Income tax	31	(60)	(1,389)	(278)	8,490
Equity & invest. income	56	(85)	79	4,546	4,420
Minority interests	na	na	(45)	783	(1,284)
Extraordinary items	(89)	(97)	491	1,000	0
Net profit	**85**	**(33)**	**129**	**13,795**	**17,051**
Normalized profit	**508**	**258**	**100**	**12,795**	**17,051**
EPS (Bt)	85	(33)	129	11.50	14.21
Normalized EPS (Bt)	508	258	100	10.66	14.21

Balance Sheet					(consolidated)
Yr-end Dec (Bt m)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Cash & ST investment	45,174	34,293	52,258	49,448	76,578
A/C receivable	74,147	70,936	66,119	68,793	72,946
Inventory	66,693	69,177	67,111	72,304	74,216
Other current assets	20,196	35,277	17,862	36,151	2,183
Investment	152,082	147,578	143,746	147,261	136,780
Fixed assets	407,108	402,397	398,486	405,893	404,861
Other assets	81,301	77,339	76,009	74,721	74,176
Total assets	**846,701**	**836,997**	**821,591**	**854,571**	**841,739**
S-T debt	141,467	78,485	138,360	150,496	109,852
A/C payable	61,929	60,514	56,654	58,581	61,468
Other current liabilities	7,190	68,732	7,022	12,499	11,370
L-T debt	171,352	175,331	179,321	178,571	190,087
Other liabilities	43,955	42,844	43,392	44,432	42,578
Minority interest	61,584	60,000	59,140	59,235	63,953
Shareholders' equity	**359,223**	**351,091**	**337,702**	**350,758**	**362,431**
Working capital	78,911	79,599	76,575	82,517	85,694
Total debt	312,819	253,816	317,681	329,066	299,939
Net debt	**267,645**	**219,523**	**265,423**	**279,618**	**223,362**

Financial Ratios					
(%)	**2Q25**	**3Q25**	**4Q25**	**1Q26**	**2Q26**
Sales growth	(2.7)	(5.0)	(3.4)	(0.9)	9.3
Operating profit growth	(95.3)	na	na	70.5	11,566.2
EBITDA growth	(11.9)	50.6	(59.9)	7.6	115.9
Norm profit growth	(26.2)	na	na	53.0	258.3
Norm EPS growth	(26.2)	na	na	53.0	258.3
Gross margin	16.1	13.7	10.8	13.9	20.1
Operating margin	0.1	0.2	(4.6)	1.7	7.2
EBITDA margin	6.7	7.0	2.0	8.3	13.2
Norm net margin	2.5	0.6	(0.1)	1.5	8.1
D/E (x)	0.7	0.6	0.8	0.8	0.7
Net D/E (x)	0.6	0.5	0.7	0.7	0.5
Interest coverage (x)	3.1	3.3	1.0	4.1	7.1
Interest rate	3.4	3.7	3.7	3.1	3.2
Effective tax rate	(75.5)	478.2	(87.2)	82.3	19.1
ROA	1.5	0.4	(0.0)	0.9	5.2
ROE	3.5	0.9	(0.1)	2.1	12.4

Sources: Company data, ttb wealth estimates

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